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DEPARTMENT FOR EEB AND WHA DOE FOR POLICY AND INTERNATIONAL AFFAIRS

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SUBJECT: CANADIAN VIEWS ON IEA MEMBERSHIP FOR CHINA AND

INDIA

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- 11. (SBU) Using reftel points, ESTH Counselor demarched both the Department of Foreign Affairs and International Trade (DFAIT) and Natural Resources Canada, urging Canada to support eventual International Energy Agency membership for China and India. The growing role and impact of China and India in world energy markets and the need for them to be responsible participants in the global energy system, coupled with present requirements for IEA membership, made it necessary to begin planning for their participation in the IEA as early as possible.
- 12. (SBU) DFAIT officials advised on February 25 that they were considering the question of IEA membership for China and India, including what sorts of institutional changes might be required to bring them into the IEA. In considering these matters, DFAIT will have an intra-departmental meeting on February 28. DFAIT officials expect an inter-agency meeting following that will be needed to reach a coordinated Government of Canada position.
- 13. (SBU) Embassy understands that the two main agencies involved in Canada's IEA participation -- DFAIT and Natural Resources Canada -- do not hold the identical view on IEA membership for China and India. Natural Resources Assistant Deputy Minister for Energy Policy Sue Kirby told EEB A/S Sullivan a month ago that IEA membership for China and India could pose some difficulties for Canada. Canada and other IEA members believed that only open market principles could underpin a well functioning global energy system, and that Canada would not agree to changing this founding principle of the Agency. The fundamental question of where China and India stand on open market principles for energy would have to be resolved before Canada could support their membership in the Agency. DFAIT officials, on the other hand, told A/S Sullivan they were open to considering the question positively. The noted that within the Government of Canada, DFAIT leads on questions of outreach in the IEA.
- 14. (SBU) Embassy will advise as soon as we learn of a coordinated Canadian government position on membership in the IEA for China and India, but this is unlikely before the second week of March.

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